



General Assembly

January Session, 2007

Amendment

LCO No. 7877

SB0141807877SD0

Offered by:

SEN. LEBEAU, 3rd Dist.

To: Subst. Senate Bill No. 1418

File No. 355

Cal. No. 296

***"AN ACT CONCERNING THE FINANCING OF PROJECTS BY
PRIVATE ENTITIES."***

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Section 32-725 of the general statutes is repealed and the
4 following is substituted in lieu thereof (*Effective from passage*):

5 (a) There is established an Office of the Business Advocate. The
6 Governor, with the approval of the General Assembly, shall appoint a
7 person with knowledge of the characteristics and needs of businesses
8 and the resources provided by state, federal, quasi-governmental and
9 other organizations that are available to businesses. Such person shall
10 be qualified by training and experience to perform the duties of the
11 office as set forth in this section. The person appointed the Business
12 Advocate shall serve for a term of four years and may be reappointed
13 or shall continue to hold office until such person's successor is
14 appointed and qualified, or until removed as provided in section 16-5.

15 (b) The Office of the Business Advocate shall be in the [Office of
16 Policy and Management] Department of Economic and Community
17 Development for administrative purposes only.

18 (c) The Business Advocate may, within available funds, appoint
19 such staff as may be deemed necessary. The duties of the staff may
20 include the duties and powers of the Business Advocate if performed
21 under the direction of the Business Advocate.

22 (d) The General Assembly may annually appropriate such sums as
23 necessary for the payment of the salaries of the staff and for the
24 payment of office expenses and other actual expenses incurred by the
25 Business Advocate in the performance of [such] said advocate's duties.

26 (e) [The] On or before January 1, 2008, and annually thereafter, the
27 Business Advocate shall [annually] submit to the Governor and the
28 chairpersons of the joint standing committees of the General Assembly
29 having cognizance of matters relating to commerce and finance,
30 revenue and bonding, in accordance with the provisions of section 11-
31 4a, a detailed report analyzing the work of the Office of the Business
32 Advocate, including a list of businesses and the services provided to
33 them by such office.

34 (f) The Business Advocate shall (1) serve as an information
35 clearinghouse for various public and private programs available to
36 assist businesses, and (2) identify specific micro businesses, as defined
37 in section 32-344, whose growth and success could benefit from state
38 or private assistance and contact such small businesses in order to (A)
39 identify their needs, (B) provide information about public and private
40 programs for meeting such needs, including, but not limited to,
41 technical assistance, job training and financial assistance, and (C)
42 arrange for the provision of such assistance to such businesses.

43 Sec. 2. Section 32-345 of the general statutes is repealed and the
44 following is substituted in lieu thereof (*Effective from passage*):

45 (a) The [corporation shall] Department of Economic and

46 Community Development shall contract with Connecticut Center for
47 Advanced Technology to establish a Connecticut development
48 research and economic assistance matching grant program, within
49 available appropriations and, for the purposes of providing financial
50 aid, as defined in subdivision (4) of section 32-34, to assist: (1)
51 Connecticut small businesses in conducting marketing-related
52 activities to facilitate commercialization of research projects funded
53 under the small business innovation research program or the small
54 business technology transfer program; (2) business-led consortia or
55 Connecticut businesses in connection with their participation in a
56 federal technology support program; and (3) micro businesses, in
57 conducting development and research.

58 (b) Applications shall be submitted to the [corporation] Connecticut
59 Center for Advanced Technology at such times and on such forms as
60 the [corporation] center may prescribe. Each such application shall
61 include the following: (1) The location of the principal place of
62 business of the applicant; (2) an explanation of the intended use of the
63 funding being applied for, the potential market for the end product of
64 the project and the marketing strategy; and (3) such other information
65 that the [corporation] center deems necessary. Information contained
66 in any such application submitted to the [corporation] center under
67 this section which is of a proprietary nature shall be exempt from the
68 provisions of subsection (a) of section 1-210.

69 (c) In determining whether an applicant shall be selected for
70 funding pursuant to this section, the [corporation] Connecticut Center
71 for Advanced Technology shall consider, but such consideration need
72 not be limited to, the following factors: (1) The description of the small
73 business innovation research project, the small business technology
74 transfer project or the federally-supported technology project and the
75 potential commercial applicability of such project; (2) evidence of
76 satisfactory participation in the applicable small business innovation
77 research program, the small business technology transfer program or
78 the federal technology support program; (3) the potential impact of
79 such research project on the workforce in the region where such small

80 business is located; (4) the size of the potential market, strength of the
81 marketing strategy, and ability of the applicant to execute the strategy
82 and successfully commercialize the end product; and (5) the resources
83 and record of success of the company relative to development and
84 commercialization. Within the availability of funds, the [corporation]
85 center may provide financial aid to eligible applicants provided no
86 business may receive more than fifty thousand dollars for any single
87 small business innovation research project or small business
88 technology transfer project. [The corporation may require a business to
89 repay such assistance or pay a multiple of the assistance to the
90 corporation. All such repayments and payments shall be deposited in
91 the Connecticut technology partnership assistance program revolving
92 account established under section 32-346.]

93 (d) The [corporation] center shall establish a development, research
94 and economic assistance matching financial aid program for micro
95 businesses that have received federal funds for Phase II proposals
96 under the small business innovation research program and the small
97 business technology transfer program. Any micro business receiving
98 financial aid under this subsection shall use such financial aid for the
99 same purpose such micro business was awarded said federal funds.

100 (e) [The corporation shall adopt written procedures, in accordance
101 with the provisions of section 1-121 to carry out the provisions of this
102 section.] As part of the contract entered into pursuant to subsection (a)
103 of this section, the Connecticut Center for Advanced Technology shall,
104 on or before January 15, 2008, and annually thereafter, submit a report
105 on the status of the development research and economic assistance
106 matching grant program to the Commissioner of Economic and
107 Community Development and the chairpersons of the joint standing
108 committee of the General Assembly having cognizance of matters
109 relating to the Department of Economic and Community
110 Development. Such report shall include, but need not be limited to, a
111 description of the projects supported, the type of financial aid
112 provided and an accounting of the status of the revolving loan fund
113 established pursuant to subsection (c) of this section.

114 Sec. 3. Section 32-346 of the general statutes is repealed and the
115 following is substituted in lieu thereof (*Effective from passage*):

116 The corporation shall establish a "Connecticut technology
117 partnership assistance program revolving account". Any and all
118 references in any general statutes, procedure or legal document to the
119 "phase III assistance program revolving account" shall, on and after
120 July 1, 1995, be deemed to refer to the "Connecticut technology
121 partnership assistance program revolving account". The account shall
122 be used for the purpose of providing [financial assistance under
123 section 32-345 and] financial aid under section 32-41u.

124 Sec. 4. Section 32-356 of the general statutes is repealed and the
125 following is substituted in lieu thereof (*Effective from passage*):

126 (a) For purposes of this section, "incubator facilities" shall have the
127 same meaning as incubator facilities in section 32-34.

128 (b) [The Commissioner of Economic and Community Development
129 shall establish the small business incubator program to provide grants
130 to entities operating incubator facilities, as defined in section 32-34.]
131 The Connecticut Center for Advanced Technology shall administer, on
132 behalf of the Department of Economic and Community Development a
133 technology-based small business incubator program. In accordance
134 with the written guidelines developed by said department, the center
135 may provide grants to assist small businesses operating within
136 incubator facilities. Such grants shall be used by such entities to
137 provide operating funds and related services, including business plan
138 preparation, assistance in acquiring financing and management
139 counseling.

140 (c) An entity shall submit an application for a grant pursuant to this
141 section to the [commissioner] center, at such time and in such manner
142 as the [commissioner shall prescribe in regulations adopted pursuant
143 to subsection (d) of this section] center shall prescribe, in accordance
144 with written guidelines adopted by the Commissioner of Economic
145 and Community Development.

146 [(d) The commissioner shall adopt regulations, in accordance with
147 the provisions of chapter 54, to implement the small business incubator
148 program established pursuant to this section. Such regulations shall
149 include (1) a description of entities eligible for grants under such
150 program, (2) a description of allowable expenditures for such grants,
151 (3) definitions of small businesses eligible for support pursuant to such
152 program, (4) directions regarding the form and content of the
153 application to be submitted by entities seeking grants, (5) schedules for
154 the awarding of grants, (6) standards indicating the bases upon which
155 grants shall be awarded, including (A) priorities, if any, for small
156 business incubator programs that provide certain support services, (B)
157 criteria relating to the background, experience and services offered by
158 the entity seeking a grant, and (C) any limitations on the amount of
159 grant any one entity may receive in one funding cycle, and (7) such
160 other provisions that the commissioner may find necessary for the
161 implementation of such program.]

162 [(e)] (d) There is established an account to be known as the small
163 business incubator account, which shall be a separate, nonlapsing
164 account within the General Fund. [The account shall contain all
165 moneys required by law to be deposited in the account and shall be
166 held separate and apart from all other money, funds and accounts.
167 Investment earnings from any moneys in the account shall be credited
168 to the account and shall become part of the assets of the account. Any
169 balance remaining in the account at the end of any fiscal year shall not
170 lapse and shall be available for use for the fiscal year next succeeding.]
171 The commissioner may use funds from the account to provide
172 administrative expenses and grants pursuant to this section.

173 (e) (1) There is established a Connecticut Center for Advanced
174 Technology Small Business Incubator Advisory Board. Said board
175 shall consist of: (A) The Commissioner of Economic and Community
176 Development, the president of the Connecticut Development
177 Authority, and the executive director of Connecticut Innovations,
178 Incorporated, or their designees; (B) two members with experience in
179 the field of technology transfer and commercialization, to be appointed

180 by the speaker of the House of Representatives; (C) two members with
181 experience in new product and market development, to be appointed
182 by the president pro tempore of the Senate; and (D) two members with
183 experience in seed and early stage capital investment, to be appointed
184 by the chairpersons of the joint standing committee of the General
185 Assembly having cognizance of matters relating to economic
186 development. All appointments to said board shall be made not later
187 than September 1, 2007.

188 (2) The Commissioner of Economic and Community Development
189 shall schedule the first meeting of said board not later than October 15,
190 2007. Thereafter, the board shall meet at least once annually to evaluate
191 and recommend changes to the guidelines adopted pursuant to this
192 section.

193 Sec. 5. Subsection (c) of section 4-168a of the general statutes is
194 repealed and the following is substituted in lieu thereof (*Effective from*
195 *passage*):

196 (c) Prior to the adoption of any proposed regulation that may have
197 an adverse impact on small businesses, each agency shall notify the
198 Department of Economic and Community Development and the Office
199 of the Business Advocate of its intent to adopt the proposed regulation.
200 [The Department of Economic and Community Development] Said
201 department and office shall advise and assist agencies in complying
202 with the provisions of this section.

203 Sec. 6. Section 32-47a of the general statutes is repealed and the
204 following is substituted in lieu thereof (*Effective from passage*):

205 Not later than January first in each year, Connecticut Innovations,
206 Incorporated shall submit a business plan containing a summary of its
207 projected operations for the year to the joint standing committees of
208 the General Assembly having cognizance of matters relating to the
209 Department of Economic and Community Development,
210 appropriations and capital bonding. Not later than November first,
211 annually, the corporation shall submit a report to the Commissioner of

212 Economic and Community Development, the Auditors of Public
213 Accounts and said joint standing committees, which shall include the
214 following information with respect to new and outstanding financial
215 assistance provided by the corporation during the twelve-month
216 period ending on June thirtieth next preceding the date of the report
217 for each financial assistance program administered by the corporation:
218 (1) A list of the names, addresses and locations of all recipients of such
219 assistance, (2) for each such recipient: (A) The business activities, (B)
220 the Standard Industrial Classification Manual codes, (C) the gross
221 revenues during the recipient's most recent fiscal year, if the recipient
222 is an organization that makes such information public in the normal
223 course of business, except that the gross revenue information will be
224 provided for a business separately, using a system in which no
225 company is listed by name but each is given a separate identity in a
226 manner consistent with the provisions of subsection (c) of section 32-
227 40, (D) the number of employees at the time of application, (E) whether
228 the recipient is a minority or woman-owned business, (F) a summary
229 of the terms and conditions for the assistance, including the type and
230 amount of state financial assistance, job creation or retention
231 requirements, and anticipated wage rates, and (G) the amount of
232 investments from private and other nonstate sources that have been
233 leveraged by the assistance, (3) the economic benefit criteria used in
234 determining which applications have been approved or disapproved,
235 and (4) for each recipient of assistance on or after July 1, 1991, a
236 comparison between the number of jobs to be created, the number of
237 jobs to be retained and the average wage rates for each such category
238 of jobs, as projected in the recipient's application, versus the actual
239 number of jobs created, the actual number of jobs retained and the
240 average wage rates for each such category. The report shall also
241 indicate the actual number of full-time jobs and the actual number of
242 part-time jobs in each such category and the benefit levels for each
243 such subcategory. The chairpersons of the joint standing committees of
244 the General Assembly having cognizance of matters relating to finance,
245 revenue and bonding and commerce and the Governor may examine,
246 in confidence, the detailed data, including the specific revenue data for

247 each identifiable business, submitted pursuant to subdivisions (1) and
 248 (2) of this section. The November first report shall include a summary
 249 of the activities of the corporation, including all activities to assist
 250 small businesses and minority business enterprises, as defined in
 251 section 4a-60g, a complete operating and financial statement and
 252 recommendations for legislation to promote the purposes of the
 253 corporation. The corporation shall furnish such additional information
 254 upon the written request of any such committee at such times as the
 255 committee may request."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	32-725
Sec. 2	<i>from passage</i>	32-345
Sec. 3	<i>from passage</i>	32-346
Sec. 4	<i>from passage</i>	32-356
Sec. 5	<i>from passage</i>	4-168a(c)
Sec. 6	<i>from passage</i>	32-47a